



Self-Review – Vacation Rental Properties

You will need the following documents:

- ☐ Sales journal, rental invoices, or other sales records for rentals of less than 30 days for the period of **July 1, 2004** through **June 30, 2007**.
- ☐ Invoices (bills) for purchases of items used at the rental property for the period of **July 1, 2004** through **June 30, 2007**.
- ☐ A depreciation schedule.

Your check register may be useful in assisting you in verifying that all of your receipts and invoices are included in your review.

Starting the Worksheet

The **Worksheet** contains columns to list both rentals and purchases, and columns to calculate the resulting tax and interest. You should only include rental amounts and purchases on which tax was not previously reported to the Utah State Tax Commission. A separate **Worksheet** page will be needed to compute the tax and interest due for each rental location.

You will need to fill in the location city (or county, if the property is outside city limits) for each quarter, and then fill in the tax rates for each quarter before proceeding. Please use the **Tax Rate Table** link on our website to assist you in finding the tax rates for your location(s). You may access our website at <http://www.tax.utah.gov/selfreview> (select the **Vacation Rental Properties** link). A Microsoft Excel version of the **Worksheet** is also available on the website, with additional instructions. **For your convenience, we recommend using the online Excel version**, which automatically inserts the tax rates and calculates tax and interest.

Please do the following for taxable rentals:

Examine your sales records for any rentals of less than 30 consecutive days. Include on the **Worksheet** only rental amounts on which tax was not previously reported to the Utah State Tax Commission. These additional taxable rental amounts could include any of the following:

1. Any taxable rental on which **no** sales tax or transient room tax was reported to the Utah State Tax Commission, whether collected from the customer or not.
2. Any portion of the taxable rental charges that was not previously included when the sales tax and transient room tax were computed and reported. (To assist you in identifying taxable or nontaxable amounts, please refer to the **Examples** page.)
3. Any taxable rental where sales tax and transient room tax were reported at the wrong rate. In this case, take the following steps. (1) Compute the taxes on the taxable rental amount at the proper combined tax rate according to the **Worksheet**. (2) Subtract the tax that was already reported to the Utah State Tax Commission from the tax that was correctly computed. (3) Divide this tax difference by the combined tax rate to calculate the taxable rental amount. **Note:** If tax was incorrectly collected at a *higher* rate, the over-collection must be reported to the Utah State Tax Commission. Please contact us for further instructions if this has occurred.

Total all previously unreported taxable rental amounts by location and period, and place these totals on the **Worksheet** in the "Gross Receipts" column.



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Please do the following for taxable purchases:

1. Examine your invoices for the period of **July 1, 2004** to **June 30, 2007** and select those invoices of taxable purchases that do not show sales or use tax charged by the seller. (To assist you, please refer to the **Examples** page.)
2. Verify that taxable purchases listed on your depreciation schedule, acquired between **July 1, 2004** and **June 30, 2007**, have been reviewed during your review of the purchase invoices. If any items are missing, please review, and if appropriate, include them with the taxable purchase invoices.
3. After finding any invoices on which sales and use tax was not charged, total the amounts of the taxable purchases by location for each quarter and enter these totals on the **Worksheet** in the "Consumable Goods Purchased Tax Free" column. Do not include any amounts on which you previously reported use tax on your Sales and Use Tax Return.

Completing the Worksheet

Please follow the indications given in the column headings to multiply rentals and purchases by the proper tax rates. Note: The **Worksheet** accounts for the fact that purchases are not subject to transient room tax. When you arrive at the total tax due for each period, multiply this amount by the listed Interest Factor to calculate the Interest Due. After totaling tax and interest for each period, total all periods at the bottom of the page. Remember to enter your name, Federal ID#, and the physical address of your rental property at the top of the page.

If you have multiple rental properties, repeat the above steps for each rental property location.

Summary and Additional Locations

Enter the "Total Amount Due" from each **Worksheet** on the **Summary** or on the **Additional Locations** sheet. The **Additional Locations** sheet is used when there are more than ten locations that need to be reported. Place the total of all the tax and interest due from the **Additional Locations** sheet on the "Additional Locations Total" line of the **Summary**.

The **Worksheet**, the **Summary** and the **Additional Locations** sheet are available in online Excel versions. If you use the Excel versions of these documents, you may email them directly to comp@utah.gov, or you may print them and mail them together with your payment.

Need help or additional time?

If you have any questions about these instructions, please call our office for assistance. Or, if you feel that the review cannot be completed in a timely manner, we will assist you in arriving at a mutually agreeable solution. You may contact Matt Duke at (801) 297-4670, Steve Peterson at (801) 297-4758, or Ralph Hoggan at (801) 297-4759.

Since all self-reviews are subject to verification by auditors, you will need to maintain the back-up documentation to support these amounts in the event your self-review is selected for verification.